



our Wind our Power our Future

February 14, 2011

James D. Boyd, Presiding Commissioner
Robert B. Weisenmiller, Associate Commissioner
Renewables Committee
California Energy Commission
1516 Ninth St.
Sacramento, CA 95814-5512

Dear Commissioners Boyd and Weisenmiller,

The Distributed Wind Energy Association (DWEA) is a relatively new national trade association comprised of manufacturers, distributors, project developers, dealers, installers, and advocates, whose primary mission is to promote and foster all aspects of the distributed wind energy industry. We define distributed wind as being behind-the-meter generation, whether it's with a 5 kW residential turbine or a 1.5 MW turbine at a water treatment facility.

The fundamental goals of DWEA are to:

- Develop a federal, state and local policy environment that supports the responsible expansion of distributed wind energy
- Reduce or eliminate unwarranted barriers to the use of distributed wind energy
- Provide a unified voice for all members and sectors of the distributed wind industry
- Develop and promote industry "best practices" policies and standards that will foster the safe and effective installation and operation of distributed wind systems
- Participate in public and consumer education

California is a priority state for DWEA because it is a leading market for distributed wind systems and because of the policy leadership the state has demonstrated for more than a decade. That leadership continues. Governor Brown's goal of developing 12,000 MW of distributed renewables in support of the State's AB 32 clean energy target is both exciting and challenging.

We are writing to ask for the Commission's assistance in maintaining the newfound momentum of the Emerging Renewables Program for small wind and closing a product eligibility loophole that is giving the program a black eye. The programmatic recommendations we offer will require slight changes to the ERP Guidebook and we would like to see this completed by mid-April.

First, we would ask that the current rebate structure be extended for two years. The increased rebates in April 2010 have served to reverse the downward trend of small wind installations and we are seeing growth

once again is the sales and installation infrastructure in California. But the depth of the recession in California has also served to limit sales growth, and permitting is still a significant barrier.

We believe it would be a mistake to allow the higher rebates to ratchet down in April as scheduled. It will blunt the current market momentum and hinder small wind's ability to contribute to the Governor's distributed generation goal. The current rebates are robust, but as is they are less robust than the rebates available in Oregon, New York, or New Jersey. Our two year request exceeds the lifespan of the current funding mechanism, but DWEA hopes to work with the California legislature to promote extension of the CTC funding underpinning the ERP.

Second, we would like to see the product eligibility criteria tightened up for small wind by embracing the new national certification standards and by giving CEC staff the ability to delist products with poor operational track records. We believe the current listing criteria have been exploited by unscrupulous companies. One currently eligible product, for example, has a CEC rating that is over 2.5 times the total kinetic energy in the wind and approximately 8 times the efficiency of the best reputable small wind products on the market. Also, we believe that it is counterproductive for staff to have no ability to delist products that are failing in the field. Another brand, out of China, for example, has a nearly 100% failure rate but cannot be removed from the eligible products list. These products reflect poorly on our industry and we believe they have no place in the ERP program.

Our recommendation is that product eligibility be tied to certification to AWEA 9.1-2009 by either the Small Wind Certification Council (SWCC) or other Nationally Recognized Test Laboratory (NRTL). Since the standard is new and compliance requires an approximately nine month field test there would need to be a transition period where products in process with SWCC would have provisional eligibility until Dec. 31, 2011. This follows an approach successfully implemented in the UK for their feed-in-tariff scheme and one that a number of other U.S. states are planning to implement. DWEA would be happy to provide specific wording for the ERP Guidebook for the staff's consideration.

The CEC ERP program, which was the first state system benefit charge (CTC in California) funded solar and wind rebate program in the nation, has created the largest single small wind dealership in America and has the potential to create hundreds of new jobs in California over the next few years. We look forward to working with you and your staff to extend the good work of this pioneering program.

Please do not hesitate to contact me at (928) 380-6012 or jjenkins@distributedwind.org or our advocate in Sacramento, Justin Malan with Ecoconsult at (916) 448-1015 or justin@ecoconsult.biz with any questions.

Sincerely,



Jennifer Jenkins

Executive Director